

High-Level Overview of the 11 Finalist Proposals

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May 14, 2007

Purpose of this Overview

Bill Lindsay, Chair of the Blue Ribbon Commission for Health Care Reform, asked the Technical Advisor to prepare this high-level overview of the 11 proposals still under consideration by the Commission. The purpose of the overview is to provide structure for the Commissioners' more detailed reactions, thoughts, and impressions. This document is not intended to short circuit the independent review and individual assessment by each Commissioner. In addition, this summary includes only the major elements of the proposals and is not intended as a substitute for the proposals themselves.

Groupings of Proposals

At the last Commission meeting on May 7th, 2007, the proposals were initially arrayed under a series of headings, or groups. This was designed to add clarity and distinguish among the types of proposals. The groups remaining after the last meeting are:

- Group A: Provide premium assistance for purchase of private coverage
 - Better Health Care for Colorado, Proposal #2
- Group B: Require all Coloradoans to have health insurance, and create new guarantee issue product in individual market
 - Solutions for a Healthy Colorado, Proposal #5
 - A Phased Approach to Achieving Universal Health Coverage in Colorado, Proposal #6
- Group C: Require all Coloradoans to purchase health insurance in individual market, and eliminate employer purchase of health insurance
 - Comprehensive Health Care Plan for Colorado, Proposal #4
 - An Individual-Based Health Insurance System Combining Free Market Principles with an Appropriate Role for Government, Proposal #9
- Group D: Require all Coloradoans to have health insurance, require employers to either cover their employees or pay an assessment, and create new coverage for the uninsured through an expansion of Medicaid and/or creation of a purchasing pool
 - Connecting Care and Health for Colorado, Proposal #7
 - Healthy Colorado Now, Proposal #10
- Group E: Require all Coloradoans to have health insurance, require employers to either cover their employees or pay an assessment, and replace existing insurance markets with a purchasing pool
 - Community of Caring, Proposal #11
 - A Plan for Covering Coloradans, Proposal #12
- Group F: Create a single, publicly-financed program for integration of financing, delivery and administration of health care
 - Colorado Health Services Program, Proposal #16
- Group G: Eliminate benefit mandates and business-group-of-one; replace Medicaid with vouchers and Health Opportunity Accounts; require Medicaid agency to compete with private charities for state tax dollars; provide new options for Medicaid long-term care
 - FAIR Health Care, Proposal #21

Group A: Provide premium assistance for purchase of private coverage

Better Health Care for Colorado/Proposal #2

1. Provide Medicaid-funded insurance subsidies for those under 300% FPL
 - Give full subsidy to those under 100% FPL
 - Structure subsidies to ensure that those up to 200% do not spend more than 5% income on premiums
2. Provide basic benefit package through pool
 - Do not charge a deductible
 - Cap annual benefits at \$25,000-\$50,000
 - Allow individuals to use subsidy for employer-sponsored insurance
3. Reform Medicaid
 - Use Medicaid managed care to increase access, promote quality, and reduce cost
 - Implement pay-for-performance for Medicaid hospitals and Medicaid long-term care facilities
 - Use consumer-directed home care for Medicaid recipients

Group B: Require all Coloradoans to have health insurance, and create new guarantee issue product in individual market

Solutions for a Healthy Colorado/Proposal #5

1. Require all Coloradoans to have health insurance
2. Require guarantee issue of a Core Benefit Plan in individual market
 - Create Core Limited Benefit Plan
 - Require all carriers to Core Benefit Plan
 - Require guarantee issue of Core Benefit Plan
 - Require modified community rating of Core Benefit Plan
3. Subsidize purchase of Core Limited Benefit Plan for those up to 250% Federal Poverty Level
 - No specified amount of subsidy
4. Tie all provider reimbursement levels to one common basis, adjusted for performance on quality benchmarks

A Phased Approach to Achieving Universal Health Coverage in Colorado/Proposal #6

1. Require all Coloradoans to have health insurance, beginning with children
 - Use state tax system for notification and enforcement
2. Require guarantee issue of two benefit plans in individual market¹
 - Two guarantee issue benefit plans in individual market 1) one that covers services up to \$2,000 per year and 2) one high-deductible plan
 - Require all carriers to offer guarantee issue product
 - Require modified community rating of the guarantee issue products
 - Require carriers in guarantee issue market to report outcome measures to the state
3. Offer sliding scale subsidies up to 300% FPL
 - Use modeling to determine best subsidy level
4. Reform Medicaid and CHP+ for children
 - Revise children's Medicaid and CHP+ benefits such as implementing copays
 - Require Medicaid children to choose or be assigned to a Primary Care Physician or HMO
 - Reimburse Medicaid providers at 100% Medicare rates
 - Require Medicaid managed care providers to report outcome data and reward good performance with additional reimbursement or enrollment

¹ Other significant elements of this requirement are included in the proposal relating to open enrollment, plan requirements to offer enrollment, risk adjustment, etc

Group C: Require all Coloradoans to purchase health insurance in individual market, and eliminate employer purchase of health insurance

Comprehensive Health Care Plan for Colorado/Proposal #4

1. Require all Coloradoans to purchase Tier 1 health coverage in individual market
 - No enforcement of individual mandate
 - Eliminate employer purchase of coverage
 - Allow employers to assist employees with the premium cost
2. Create standard minimum benefit package
 - Rank-order potential benefits through Ethics Board
 - Annually determine number of benefits to be covered through legislative process
 - Allow individuals to purchase additional Tier 2 coverage
3. No guarantee issue or community rating requirements
4. Replace Medicaid with the Colorado Care Connector
 - Subsidize coverage in the individual market for those who cannot afford coverage
 - No minimum income eligibility, e.g. 200% FPL
 - Subsidize based on availability of funding

An Individual-Based Insurance System Combining Free Market Principles with an Appropriate Role for Government/Proposal #9

1. Require all Coloradoans to purchase maintenance care coverage in the individual market
 - No enforcement mechanism
 - Eliminate employer purchase of coverage
 - Allow employers to assist employees with the premium cost
 - 25% tax deduction for individual and employer contributions toward coverage
 - Provide up to 25% discount for achieving wellness benchmarks
2. Create minimum benefit package for maintenance tier coverage
 - Cover preventive and catastrophic care at 100%
 - Create reinsurance pools for preventive care and catastrophic care
 - Allow consumers purchase additional coverage
3. Require guarantee issue and modified community rating for maintenance tier
4. Replace Medicaid with program with voucher program
 - Provide vouchers for low-income up to 250% FPL
 - Create processes that help consumers evaluate price and outcomes

Group D: Require all Coloradoans to have health insurance, require employers to either cover their employees or pay an assessment, and create new coverage for the uninsured through an expansion of Medicaid and/or creation of a purchasing pool (Note: Proposal 7 was originally placed in Group E, but has been moved to Group D.)

Connecting Care and Health for Colorado/Proposal #7

1. Require all Coloradoans to have health insurance
2. Reform individual and small group insurance markets
 - Merge individual and small group insurance markets
 - Require community rating and guarantee issue
 - Limit cost-sharing in standard benefit package
3. Require all employers to pay assessment or contribute toward employee health coverage
4. Expand Medicaid and CHP+
 - Expand Medicaid/CHP+ up to 300% for children, parents, disabled, seniors
 - Create state-funded look-alike program for childless adults up to 300% FPL
5. Reform Medicaid and CHP+
 - Require that all Medicaid enrollees choose primary care physician
 - Increase Medicaid provider reimbursement
6. Expand scope of practice for providers such as licensed practical nurses and midwives

Healthy Colorado Now/Proposal #10

1. Require all Coloradoans to have health insurance
2. Reform individual, small group, and large group insurance markets
 - Create standard benefit package
 - Require guarantee issue and community rating
3. Define high-value benefit package to be provided in PRO-CO and in individual, small group and large group markets
 - Create benefit package through community process based on incentives for prevention, use of high-value services, and a cap on total per beneficiary spending
4. Require employers who do not provide insurance to their employees to pay a payroll fee
5. Require the uninsured to enroll in Personal Responsibility Option in Colorado
 - Provide subsidies for coverage in PRO-CO for those up to 500% FPL
 - Provide choice of provider
6. Expand Medicaid and CHP+ up to 250% FPL for all Coloradoans

Group E: Require all Coloradoans to have health insurance, require employers to either cover their employees or pay an assessment, and replace existing insurance markets with purchasing pool

Community of Caring/Proposal #11

1. Require all Coloradoans to have health insurance
 - Require assessment from individuals that do not have health insurance
2. Require employers to contribute to employee coverage or pay assessment
 - Require employers to contribute at least 50% toward employee and family coverage or pay an assessment
3. Create pool of all purchasers except ERISA plans
 - Choose and contract with health plans using competitive bidding process
 - Require guarantee issue and community rating
 - Require plans to contract with safety net providers
4. Provide subsidies to low-income and small business for purchasing coverage in the pool
 - Provide subsidies for small employers based on need
 - Subsidize premiums and limit copayments for those up to 300% FPL in pool
5. Create standard benefit packages with oral and mental health
 - Provide extra benefits to special populations
 - Allow enrollees to purchase additional coverage
6. Expand Medicaid to 200% for all Coloradoans and CHP+ to 300% for all Colorado children

A Plan for Covering Coloradans/Proposal #12

1. Require all Coloradoans to have health insurance
 - Assess fee of uninsured through state income tax filing
2. Require employers to contribute to employee coverage or pay reasonable assessment
3. Create purchasing pool for all purchasers except ERISA, Medicaid, and CHP+
 - Authorize purchasing pool to negotiate rates and plan requirements
 - Require guarantee issue, pure community rating and risk-adjustment
4. Provide subsidy for purchasing coverage in pool up to 400% FPL
 - Require different benefit designs for subsidy program
 - Require safety net providers be included in subsidy program
5. Define minimum benefit package based on best-available evidence of effectiveness
 - Include prescription drugs, mental health, substance abuse, and dental
 - Standardize benefit plans to allow consumers to compare plans
6. Expand public programs for disabled, elderly, medically needy, children and parents (up to 300% FPL) and childless adults (up to 100% FPL)
 - Merge Medicaid and CHP+

Group F: Create a single, publicly-financed program for integration of financing, delivery and administration of health care

Colorado Health Services Program/Proposal #16

1. Create single, publicly-financed program design for integration of the financing, delivery and administration of health care
2. Govern and administer program like a public utility
 - Create governing board to set yearly budget and determine provider rates
 - Create Colorado Health Trust insulated from general state budget
 - Index funding to rate of growth like GDP
3. Charge premiums through income tax or payroll deduction, or implement new payroll tax or income tax
 - Allow employers to pay for employees
4. Allow consumers to choose any licensed health care provider in the state
 - Retain safety net providers to serve rural, non-English speakers and migrant workers
5. Determine benefit package annually and address needed limitations
 - Cover primary, hospitalization, lab, emergency, auto and worker's compensation, mental health, substance abuse, dental, and, eventually, long-term care
 - Eliminate copayments for first three years
6. Improve efficiency and quality of care
 - Create statewide, integrated patient health information network for cost, utilization, and quality information
 - Use statewide data to reward providers for high-quality care and identify training needs

Group G: Eliminate benefit mandates and business-group-of-one; replace Medicaid with vouchers and Health Opportunity Accounts; require Medicaid agency to compete with private charities for state tax dollars; provide new options for Medicaid long-term care

FAIR Health Care/Proposal #21

1. Repeal mandates that require insurance policies to cover certain services
2. Eliminate business group of one in small group market
3. Replace the current Medicaid program with defined-contribution vouchers and Health Opportunity Accounts
4. Create new Medicaid policies allowed by the Deficit Reduction Act, including changes to long-term care eligibility and community-based care
 - Increase use of consumer-directed care in Medicaid
 - Increase use of home care in Medicaid long-term care programs
5. Allow Medicaid to compete with charities by establishing dollar for dollar tax deductions for donations to qualified Colorado charities